the metrocities so that quick and efficient services comparable to the private and foreign banks can be provided to its customers. Bank's should try to impart "in House training" for the employees in the process of modernisation including computerisation.

15. The Committee during its visit noticed that some of the managements o the banks are organising social functions like promotion of national integration and communal harmony, family planning, literacy programme and adult education etc. Such programmes not only attract more customers in the banks but also render valuable service to the customers. The Committee therefore feels that the Government should encourage the banking industry to undertake such social activities.

16. The Committee is of the opinion that publicity policy related to each banks needs in general should be left to the individual banks discretions and the Indian Banks' Association should take up only such campaigns which are required to be taken up on banking industry level

17. The Committee recommends that the Customer Oriented Training Programmes should be organised by the banks for its employees so that they are made aware of the customers needs

18. The Committee is of the opinion that the banks should encourage "think tanks" at the higher levels in the banks to evolve innovative schemes to attract more deposits and also to upgrade their customer services.

19 The Ministry of Finance should issue necessary instructions to the RBI and different managements of the Indian and Foreign Banks in the light of the Committee on Government Assurances recommendations/directions to take necessary steps for the proper and successful implementation and furnish the action taken notes thereon for consideration of the committee.

Cases of sick PSUs pending before BIFR

7522. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to state:

(a) whether cases pending before Board fo. Industrial and Financial Reconstruction (BIFR), about sick Public Sector Undertakings have been awaiting certain signals from Government;

(b) whether due to delay in getting proper rehabilitation schemes approved by Government and BIFR decisions about these Public Sector Undertakings are getting further delayed;

(c) whether situation in those PSUs is further deteriorating as far as operation and business of these units are concerned and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V CHANDRASHEKHAR MURTHY): (a) to (d) Under Section 15 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), it is obligatory for Sick Industrial Companies to make a reference to the Board for Industrial and Financial Reconstruction (BIFR). As per the provisions of SICA, the BIFR has to explore different alternatives for revival of a sick industrial company before forming an opinion that it is just and equitable that the company be wound-up BIFR has also to give a reasonable opportunity to all concerned, including the Administrative Ministry and the sick company, to be heard. Any request received for grant of further time has also to be considered by BIFR. Further, in the case of some sick Public Sector Undertakings, BIFR has on request granted time to the Administrative Ministry/company concerned to give their final views on issues like induction of additional funds and allied matters, which are essential to

reach a final decision as to revival or, in the alternative, closure. Proceedings before BIFR have also been stayed by the Calcutta High Court in respect of five cases.

Stripping of air hostesses by customs officials at Calicut

7323. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to state:

(a) whether the Customs Officials at Calicut Airport had recently stripped five air hostesses;

(b) if so, whether several trade unions have urged Government to probe the incident;

(c) if so, the details thereof:

(d) whether any action has been initiated by Government against the Customs officials posted there;

(e) if so, the details thereof; and

(f) the steps Government propose to take to avoid recurrence of such incidents?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) No, Sir.

(b) and (c) INTUC, CITU, AITUC, BMS and HMS have urged a high level probe into the alleged incident of stripping and stringent action against the officials involved.

(d) and (e) The Principal Collector of Customs and Central Excise, Madras has conducted an inquiry into the said incident. His findings, based on his discussion/enquiry with some of the persons who were present at the time of incident, indicate that the press reports and allegations of 'stripping' and harassment by customs officials are not true. The air hostesses were subject to a routing frisking by the customs officials in the normal course of discharge of their functions.

(f) In view of answer to (d) and (e) above, no specific steps need to be taken.

Private sector participation in banking and insurance

7324. SHRI SANJAY DALMIA: Will the Minister of FINANCE be pleased to state: what are the norms prescribed by Government for private sector participation in banking and insurance sectors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): Reserve Bank of India have laid down guidelines for entry of the private sector into banking industry, which inter-alia provide that minimum paid-up capital for a new bank should be Rs. 100 crores.

A copy of the RBI's guidelines is attached as Statement (*See* below)

The Government have not laid down any norms for private sector participation in the insurance industry.

Statement

Guidelines on entry of new private sector banks

(a) Such a bank shall be registered as a public limited company under the Companies Act, 1956.

(b) The RBI may, on merits grant a licence under the Banking Regulation Act, 1949 for such a bank. The bank may also be included in the Second Schedule of the Reserve Bank of India Act, 1934 at the appropriate time. The decision of the RBI in these matters shall be final.

(c) The bank will be governed by the provisions of the Banking Regulation Act, 1949 in regard to its authorised, subscribed and paid-up capital. The minimum paid-up capital for such a bank shall be Rs. 100 crores. The promoters' contribution for such a bank shall be determined by the RBI and will also be subject to other applicable regulations.